

#1

COMPLETE

Collector: Web Link 1 (Web Link)
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IP Address: 107.185.130.63

Page 1

Q1 First Name (Optional)

Jake

Q2 Last Name (Optional)

Pena

Q3 Organization (Optional)

Non-affiliated

Q4 Title (Optional)

Distribution employee/ non licensed affiliated business

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

As a potential employee / independant contractor in this sector, I would like special consideration for and to address rules to establish what capacity I can conduct business in.

Example: many sales/marketing jobs are outsourced to independant contractors(1099). Is this allowed in the distribution model. What paperwork do I need to safeguard my employememt/legal status.

Can I work for more than one distributor?

Specifically how do I go about getting compliant.

As a potential professional, it is important that I'm up to date on applicable industry information like track and trace, and I plan on attending the workshop this week but after that I will not have access to more training or information unless I submit an application for licensing. This is unfair to potential employees in the industry who need to understand this system to help gain employment.

In closing, a lot of information is focused on the licensed business owners and potential employees are left in the dark. I would like to see some more information directed at potential employees so that we could have a better chance at securing employment in a timely manner. Please don't leave that up to the business owner to distribute necessary information. There will be many support businesses created that will not need to or qualify for licensing. These potential fringe businesses need full transparency to better serve this emerging market.

Ty,
jake pena
Please don't hesitate to contact me. I have more questions and issues that need to be addressed.
Jakepena@gmail.com

#2

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 31, 2018 5:39:51 AM
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Page 1

Q1 First Name (Optional)

Respondent skipped this question

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee**Q6** Feedback for Subcommittee

So far, my interactions with the BCC regarding licensing have been cordial but confusing. The Bureau does not seem to have a clear process for creating and sharing a comprehensive assessment of adaptations that might need to be made to an application. As a result, I've had to go back and forth many times, each time meeting a different requirement and then learning about others down the line. Would be much easier if the applications were assessed comprehensively at the start and applicants provided with a full list changes that, if met, would result in licensure. Thank you for considering my point of view!

#3

COMPLETE

Collector: Web Link 1 (Web Link)
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Last Modified: Thursday, February 01, 2018 8:26:04 AM
Time Spent: 00:18:13
IP Address: 73.231.75.175

Page 1

Q1 First Name (Optional)

ZACK

Q2 Last Name (Optional)

AHRENS

Q3 Organization (Optional)

FLOW KANA

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee**Q6** Feedback for Subcommittee

curious to hear more about transporting cannabis goods between buildings that are on the same premises but have different licenses - do we have to manifest when we bring flower into our manufacturing facilities to get processed into oil and then manifest again when we move that oil or other finished products into our distribution facility? As long as it is track and traced without leaving the premises - can we avoid a manifest?

#4

COMPLETE

Collector: Web Link 1 (Web Link)
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Time Spent: 00:13:24
IP Address: 73.41.203.204

Page 1

Q1 First Name (Optional)

Eric

Q2 Last Name (Optional)

Luchini

Q3 Organization (Optional)

BSeen

Q4 Title (Optional)

Vice President

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

1. Financial costs of regulation and burden of taxation/collection
 2. Creation of an industry-to-community outreach program
 3. Concerns with onsite lab-testing
-

#5

COMPLETE

Collector: Web Link 1 (Web Link)
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IP Address: 12.231.150.35

Page 1

Q1 First Name (Optional)

Marc

Q2 Last Name (Optional)

Whitlow

Q3 Organization (Optional)

Colabrativ, Inc.

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

Chapter 2. Distributors

§ 5314. Shipping Manifest

In section 5311 (a) states:

(a) Prior to transporting cannabis goods, a distributor shall generate a shipping manifest through the track and trace system for the following activities:

- (1) Testing and sampling;
- (2) Sale of cannabis goods to a licensee;
- (3) Destruction or disposal of cannabis goods; and
- (4) Any other activity, as required pursuant to this division, or by any other licensing authority.

This seems to be in conflict with the Testing Laboratory's responsibility to collect samples of cannabis goods at the distributor, and transport them to the testing laboratory. Why should the distributor create a shipping manifest for something they do not control? Furthermore, it is highly likely that the manifest will have multiple stops that the Testing Laboratory's sampler is making to various distributors.

I recommend removing 5314.a.1 from this section and moving it to an appropriate section in Chapter 6 Testing Laboratories, Article 3 Sampling Cannabis and Cannabis Products to be part of the 5709 Chain of Custody or a new section below section 5709.

This request is also being sent to the Testing Laboratories subcommittee.

#6

COMPLETE

Collector: Web Link 1 (Web Link)
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Page 1

Q1 First Name (Optional)

Jason

Q2 Last Name (Optional)

Horst

Q3 Organization (Optional)

Horst Legal Counsel

Q4 Title (Optional)

Principal

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

Rule 5308 requires distributors to carry liability insurance. The rule should also require insurers providing this coverage to state in each such policy whether and to what extent the policies offer coverage for cannabis and/or cannabis products. Multiple insurers have contested coverage to cannabis operators that they have insured in the courts based on stock provisions that call into question the extent to which cannabis and/or cannabis products are covered (i.e., exclusions for "contraband" and "psychotropic substances").

#7

COMPLETE

Collector: Web Link 1 (Web Link)
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Page 1

Q1 First Name (Optional)

Brian

Q2 Last Name (Optional)

Kahn

Q3 Organization (Optional)

Cannabis Operator

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

The regulations need to be updated to properly address who is able to properly manage all the cannabis waste that will be created. More specifically, the regulations need to ensure that if a cannabis operator is going to utilize a third party cannabis waste management company, the cannabis waste management company must obtain the proper cannabis licenses to transport and render the cannabis waste. Any random person or existing trash company CANNOT handle cannabis waste. This cannabis waste management company MUST have the appropriate cannabis licenses such as a cannabis distribution license and cannabis manufacturing license (processing license). Since the product that will be picked up is untreated cannabis product (un-rendered cannabis product), the movement of the cannabis requires a distribution license. The distribution license will allow the cannabis waste management company to pick up the untreated cannabis since it is still considered cannabis product, and the manufacturing (processing) license will allow the waste management company to render the cannabis product into neutralized cannabis waste. These licenses not only make the cannabis waste management company compliant, but also help with the track and tracing of all stages of the cannabis product through Metrc since all cannabis license holders need to use the track and trace system. The proposed changes will guarantee that all cannabis waste is being handled by cannabis-permitted companies that have extensive working knowledge in the industry. These changes will ensure that all cannabis waste streams are properly identified and documented through the State's Track and Trace System, and ensure all cannabis operators are working compliantly together.

#8

COMPLETE

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Page 1

Q1 First Name (Optional)

Nancy

Q2 Last Name (Optional)

Parra

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

Counties should make it cleared on distribution regulations and requirements. If you look up most counties have fees for distribution and cultivators but not distributors and as a distributor what paperwork from the cultivator do we need to obtain. Thank you

#9

COMPLETE

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Page 1

Q1 First Name (Optional)

Jessee

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Sierra Deluxe Logistics

Q4 Title (Optional)

Co-Founder

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

Hello there!

We're a licensed distributor out of Oakdale, CA and as we get ourselves ready- getting insurance, bonded, paying local fees etc etc. we are trying to navigate the new market and finding it difficult. Retailers seem to want only Licensed manufacturers with product completely pre-packaged, though because of their incredibly high costs have issues with manufacturers raising costs. We as distributors have to be the go between and try to keep both sides happy while also somehow managing our own increasing costs. A brand may find a 20% margin for us high, but so much goes into the transport, quality assurance and sales efforts. Do any other distributors out there feel as though our needs are sort of forgotten about? We provide a pretty crucial service in this new system, and it's difficult to get manufacturers and cultivators on board with the new cultivation tax.

Speaking of cultivation tax. Say you buy edibles that contain thc oil. Is that tax calculated by dividing \$9.25 (flower tax per ounce) by 28349.5 (the milligrams in one ounce) and then multiplying that by the total milligrams in the product?

Anyway, we're very excited and happy to be in this industry, but find we are having to educate brands on their responsibilities and then getting a bit of the "kill the messenger" treatment.

Thank you for speaking and representing all of us distributors' interests and needs!

Cheers,

Jessee Foudray
Sierra Deluxe Logistics

#10

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Page 1

Q1 First Name (Optional)

Joshua

Q2 Last Name (Optional)

Jenkins

Q3 Organization (Optional)

Loyal Penguin, Inc.

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

Please take actions to include the utilization by Veteran-owned entities of Business and Professions §16102 with the startup of a distribution entity.

#11

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Page 1

Q1 First Name (Optional)

Megumi

Q2 Last Name (Optional)

Reagan

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

To Whom It May Concern:

I'm writing you to express concern over cannabis waste regulations. Cannabis waste comes in innumerable forms. I've found that the layman generally associates cannabis waste with leaves, stalks, stems, and other plant and soil byproducts. However, it's important to note that cannabis waste also includes post-extracted cannabis plants and flowers, failed lab tested materials, ancillary manufactured waste (for example, i.e., wax paper, gloves, beakers, etc.), retail display items, and returned/damaged retail items. These streams of waste come from all industry stakeholders: cultivators, manufacturers, retailers, distributors and testing labs. Handling the volume of waste produced by these stakeholders creates an ancillary industry that must be regulated.

The regulations need to be updated to reflect who is qualified to properly manage cannabis waste. The vast amounts of cannabis waste produced by the industry pose a serious risk to public health, specifically children and the disenfranchised, if not handled by properly licensed cannabis waste haulers as opposed to general waste management service providers. Third party cannabis waste management companies must obtain the proper licenses to transport and render cannabis waste. Frequently, cannabis byproduct and waste are indistinguishable from safe-to-consume materials and/or products. To mitigate these risks, limiting the exposure of the public to cannabis waste vis-a-vis safe and sustainable disposal of cannabis waste that has been tracked and traced and handled by licensed cannabis waste haulers is imperative. It will ensure that all ecosystems—the environment, the public and industry stakeholders can successfully co-exist.

Thank you.

#12

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Page 1

Q1 First Name (Optional)

Tyler

Q2 Last Name (Optional)

Chernack

Q3 Organization (Optional)

True Farma Focused Medicinal Cannabis

Q4 Title (Optional)

CFO

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

Hi there. We are a company focused on only the highest quality packaged medical cannabis products and don't sell flower. We have formed partnerships with St. Jude's / St. Joseph's / Hoag Hospitals in the SoCal area to deliver medicine to their patients who have cancer. This is an INCREDIBLE opportunity for the medical cannabis community to be embraced by the healthcare system. We really need to have the ability to have direct-to-patient delivery otherwise these cancer and terminally ill patients will not have the chance to receive the medicine that helps them sleep, eat, ease their pain. Before us, nurses and doctors were sending their patients to WeedMaps. These patients are 55 and older and have no understanding of where to begin with cannabis. We need the ability to educate and deliver them medicine that allows them to go low and slow, not have an adult use dispensary dictate how much they think they should smoke.

These new regulations have caused a huge shortage of medicine options for people all over the state. We get emails by the hundreds from these individuals who need their 1:1 tincture to help them live so they don't have to take opiates. We need a statewide direct-to-patient license, even if it's just for medical cannabis products.

#13

COMPLETE

Collector: Web Link 1 (Web Link)
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IP Address: 67.174.233.8

Page 1

Q1 First Name (Optional)

Jude

Q2 Last Name (Optional)

Thilman

Q3 Organization (Optional)

Dragonfly Wellness Center

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

We need a Type 10 D license for Direct Delivery of Medical Cannabis Infused Products to Patients. Access to patient markets and the service of medical patient needs in rural areas -- and even urban and suburban areas -- will be greatly restricted without a delivery license not tethered to retail outlets. Deliveries to patients can be done after distributor delivery to retailers, and after track and trace inventory confirmation. A "delivery only" licensee can move medicinal cannabis products directly to patients after digital platform-based purchases have occurred between patient and retailer.

Patient/caregiver medical recommendation verification will occur prior to delivery using approved digital platforms. As production of medicinal cannabis expands to meet market demand, patient access to much-needed medicinal products is reduced and stakeholder access to these patient markets is also diminished by an inability to reach patients from their retail storefronts or warehouse outlets. All licensees deserve access to markets and by creating a special "deliveries only" license, technology-based retailers will be able to continue to serve out-of-range patients and caregivers. Since 3rd party carriers cannot enter the newly regulated system as they carry non-cannabis products, whole "access deserts" will crop up in remote areas unless patients can get deliveries from a licensed, regulated service that meets all the transport and distribution regulations currently outlined in the state regs.

#14

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Page 1

Q1 First Name (Optional)

Hannah

Q2 Last Name (Optional)

Nelson

Q3 Organization (Optional)

Hannah L. Nelson Attorney At Law

Q4 Title (Optional)

Mendocino County Working Group Member/Attorney/Cannabis Policy Advisor

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

DISTRIBUTION SUBCOMMITTEE COMMENTS

I am an attorney who has specialized in cannabis and cannabis related policy for more than 25 years. In 1999, after the California Supreme Court upheld the case I litigated pro bono for nearly three years requiring the first-ever court-ordered return of seized medical cannabis, the then District Attorney, then Sheriff, and I proposed a permitting scheme to the then Board of Supervisors. We were ahead of our time and the matter was not pursued. However, in 2009, I was recruited by Sheriff Tom Allman to help craft the original permitting program in Mendocino County. I have been intimately involved in helping draft cannabis policies and permitting programs ever since. I currently serve on five Mendocino County Working Groups and maintain a practice that assists applicants through the regulatory process at the local and state levels across all agencies. I am excited to see the emerging regulated industry. Given my interaction with local and state agencies as well as applicants, I have discovered numerous issues that are ripe for discussion as the CAC advises the regulatory agencies on non-emergency regulation drafting.

Below Items D, I have included notes that I wrote and emailed to BCC. I have included that email since it gives a good flavor of the on-the-ground issues that are coming up daily for applicants.

Thank you for your consideration.

Cannabis Advisory Committee: Subcommittee Input Survey

DISTRIBUTORS

A. Distributor/Transport Only License (§ 5308): Clarify that the following onerous requirements do NOT apply to Distribution/Transporter licenses: B&P Sections 5043-3, 5045 Section 5047, and Section 5309. At the very least, these sections should not apply to licensed self-distribution/transport activities.

Security cameras are intentionally not required for cultivation under CDFA regulations. The rural and expansive nature of most cultivation sites not located in urban areas make the security camera requirement impractical and difficult to comply with. Specifically, many outdoor growers do not have the power source or internet access necessary to comply with the specific camera requirements in the current regulations listed for Distributors.

Given that the Distributor-Transporter-Only licenses were intended to assist cultivators get their product off of their remote farms safely and without causing more impact to rural roads by having full Distributors pick it up, it seems that a common-sense application of the requirements is necessary for this discrete subgroup. Oversight will still be accomplished: All product will be subject to Track and Trace and will be recorded in shipping manifests.

We are requesting that the security camera requirement be interpreted as a requirement that is inapplicable to Distributor-Transport-Only licensees who are obtaining the license for their own cultivation sites. At the very least, please consider postponing the requirement that a site map with the location of security camera placement be submitted in order to obtain a Temporary license.

Additionally, the Insurance requirement for farmers or microbusinesses who are merely obtaining a Distributor-Transport license only to transport their own product off of their own licensed farm, manufacturing facility or Microbusiness seems unreasonable.

B. Need for License Type 10-D: Direct Delivery of Medical Cannabis Infused Products to Patients. Rationale:

- Access to patient markets and the service of medical patient needs in rural areas -- and even urban and suburban areas -- will be greatly restricted without a delivery license not tethered to retail outlets. ☐
- Third party courier/delivery services will become illegal and no longer available to retailers to serve people in these "access deserts". ☐
- A "delivery only" licensee can move medicinal cannabis products directly to patients after digital platform-based purchases have occurred between patient and retailer. ☐
- Purchase of medicinal cannabis products can be restricted to infused products or all "M" products meeting state packaging regulations. ☐
- Patient/caregiver medical recommendation verification will occur prior to delivery using approved digital platforms. ☐
- Delivery of products will occur after distributor delivery to retailers, and after track and trace inventory confirmation. ☐

C. Modify 5412(b): Permit retail and microbusinesses to package and/or label cannabis goods, providing they hold a Distribution and/or Processing License. ☐

D. Modify 50 Lb Sample B&P Section 5707(c): Reduce disproportionate cost impact on small batches. Due to storage concerns, the point of taxation, and the prohibition on the distributor's return of product to be resold, distributors will limit product submissions to small batches unless there is a contract in place for larger quantities. This results in disproportionately higher overall costs since each smaller batch incurs separate testing fees whereas large batch testing will be less expensive, impacting smaller operators severely.

Additional issues as outlined in a previously submitted email to BCC (on 1/29/18):

Ms. Ajax and Staff,

The first issue relates to Distributor-Transporter Only Licenses for Cultivators:

In assisting many small farmers in Mendocino County, I have discovered a few issues specific to them when applying for a Distributor-Transporter-Only license with BCC. THESE ISSUES ARE TIME SENSITIVE BECAUSE THE TEMPORARY DISTRIBUTOR-TRANSPORTER ONLY APPLICATION PROCESS REQUIRES CULTIVATORS WHO APPLY FOR THIS LICENSE TO UPLOAD SITE MAPS WITH SECURITY CAMERA LOCATIONS EVEN THOUGH THE LICENSE WOULD LITERALLY BE USED TO MOVE THE PRODUCT FROM THE FARM TO A LICENSED FACILITY.

As you may know, security cameras are intentionally not required for cultivation under CDFA regulations. The rural and expansive nature of most cultivation sites not located in urban areas make the security camera requirement impractical and difficult to comply with. Specifically, many outdoor growers do not have the power source or internet access necessary to comply with the specific camera

Cannabis Advisory Committee: Subcommittee Input Survey

requirements in the current regulations listed for Distributors. Given that the Distributor-Transporter-Only licenses were intended to assist cultivators get their product off of their remote farms safely and without causing more impact to rural roads by having full Distributors pick it up, it seems that a common-sense application of the requirements is necessary for this discrete subgroup. Oversight will still be accomplished: All product will be subject to Track and Trace, will be recorded in shipping manifests, and mostly involve product grown on the very farm that the transport is occurring at. Even many of the Distributor-Transporter-For Hire licenses are often being utilized by one person that simply has more than one site/licensed premises (while I don't believe the "for hire" provisions would apply to a person who is transporting from multiple premises licensed only under their name or under one company name, it would apply to an instance (frequently done) where someone has used separate companies for each licensed cultivation premises in order to limit their liability for each) In that case (one person has two companies for two cultivation licenses, it is the very same issue: a farmer simply trying to transport their product off their farm to a licensed (full Distributor, Manufacturer, or Processor. I am formally requesting that the security camera requirement be interpreted as a QA requirement that is inapplicable to Distributor-Transporter Only licensees who are obtaining the license for their own cultivation sites (whether under one company or under more than one company that they are the owner of and have a cultivation license for) where the on-site storage is merely their own product from their own farm. At the very least, please consider postponing the requirement that a site map with the location of security camera placement be submitted in order to obtain a Temporary license. Right now farmers must obtain these licenses in order to lawfully get their product to other license holders (processors, distributors, manufacturers). They had not realized that they would need security camera systems (which because of the very specific BCC specifications about them require more power and Internet access than they currently have) since the CDFA regulations do not require cultivators to have such systems.

The next two issues relates to Micro-businesses:

As you may be aware, the Micro-business issue is not having the intended benefit for small operators. Specifically, the requirement that all 3 or more activities occur on the same premises have presented local zoning challenges that in many cases cannot be surmounted in rural areas. While I hope that this requirement will change, I recognize that is a more lengthy process than will be of practical help to farmers in rural areas right away. As a result, I am requesting that you interpret the requirement in such a way as to allow the Distributor-Transporter Only license to qualify as one of the 3 mandatory activities. The reality is these licenses are sub-types of a Distribution license, so such an interpretation would comport with the current regulations. For small, rural operators who can otherwise qualify for two other licensed activities, such as cultivation and manufacturing (our local jurisdiction is providing opportunities to view nonvolatile manufacturing as an allowable ancillary use of the property when done at a permitted cultivation location so the zoning issue is being handled and will not necessarily be an impediment for that activity once the details are worked out), there is little or no chance of qualifying for a full Distribution license or Retail facility on their rural property. There are very limited numbers of properly zoned parcels in our county that would allow for those two activities. Obviously, true self-distribution is what is needed for small farmers and operators. However, until the same premises requirement is changed, land use rules will not allow for the type of activity and facilities needed for full distribution licensing. Eventually, we hope that on-site tasting rooms or bud-n-breakfasts will be licensed and will help serve as qualifying activities, but for now, we must look to other options. It may not make sense for some to apply under the micro-business license, but for some, it is a critical component of the small operator survival plan. Please provide an avenue for small operators to stay in the Micro-business game by viewing Distributor-Transporter Only licenses as a qualifying activity.

Finally, also with respect to Micro-business licenses, please clarify and affirm that ownership of a Nursery license on the same property (but not considered the same licensed premises) in addition to a flowering Cultivation license for up to 10,000 square feet under a Micro-business license applied for by the same person/entity (but as a separate license from the Nursery license) would NOT disqualify the applicant from the Micro-business license because they would ultimately hold more than 10,000 square feet (on the same property, but not as the same licensed premises). Specifically, in Mendocino County, applicants are allowed to have a Nursery license of up to 22,000 square feet. However, if that Nursery license is on the same parcel as a flowering cultivation permit of up to 10, 000 square feet, the Nursery square footage is limited to 12, 000 square feet. The theory is that the parcel is allowed to have up to the total legal limit, which if it were solely a Nursery, would be 22,000 square feet, so one can cultivate up to 10k for flowers and up to 12k for the Nursery. As small farmers, a lot of folks have decided that they must pursue all avenues of diversification possible in order to have a fighting chance to compete with bigger operators around the state. For some, that means having a nursery and a flowering cultivation. If they are permitted to have one state license for their Nursery and another Micro-business license for their Cultivation (flowering), their Manufacturing (only nonvolatile will be allowed here unless they are on industrially zoned property) and Distributor-Transporter-Only activities, they will be able to maintain a diversification that might help keep them competitive. I believe that if the Nursery is kept as a

Cannabis Advisory Committee: Subcommittee Input Survey

separate licensed premises, there is no bar to also applying for a Micro-business with the 10k of cultivation, the manufacturing and the Distributor-Transporter license. However, I request that this interpretation be affirmed.

Thank you very much for taking the time to address these concerns and questions as soon as possible. The security camera issue is the one that is the most time sensitive because Temporary license applications are being submitted. The other issues are also time sensitive since folks are desperately trying to nail down their plans.

I look forward to hearing back from someone soon.

Hannah

Hannah L. Nelson Attorney At Law

(707) 962-9091

#15

COMPLETE

Collector: Web Link 1 (Web Link)
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Page 1

Q1 First Name (Optional)

Respondent skipped this question

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Mendocino Generations

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee**Q6** Feedback for Subcommittee

February 6th, 2018

Dear Subcommittee Members,

We write to you today, as a group of small farms located throughout Mendocino County, to express our concerns with the current cannabis emergency regulations and are providing input on changes we would like to see made in the new regulations. We are grateful for the opportunity as stakeholders and interested parties to engage in this process. We hope that our suggestions will be considered when drafting the new regulations so that the cannabis-licensing program can operate with efficiency and success.

The largest license type allowed in Mendocino County is 10,000 sq ft of plant canopy. This equates to less than a quarter acre and considered a "hobby garden" by agricultural standards.

State regulations must take the vast disparity in permitted size cultivations throughout the state into consideration as permanent regulations are formulated. Committees must understand the historical significance and economic dependence of counties in the north coast region on cannabis cultivation. Small cannabis farmers need state protection to continue into the regulated and legal era to allow for a viable transition and avoid epidemic bankruptcies, defaults, plummeting property tax revenues and destruction of a unique cultural fabric that can be the regions opportunity rather than its demise.

Various compliance issues imposed specifically on the cannabis industry, and no other agricultural industry in California, by CDFA,

Cannabis Advisory Committee: Subcommittee Input Survey

CWQCB, Cal Fire, CDFW, and a slew of local jurisdictions are simply not viable for small farmers if scale, rural access, cooperative efficiencies and considerations for sustainable methods are not protected by the BCC.

Even though some small farmers may diversify into processing and or low impact manufacturing as regulations allow, our primary concern at this writing is for the small farmer, terrified that their homes, livelihood and decades of investments in the development of methods and genetics will arbitrarily be taken from them by the BCC if the ACA does not act now on their behalf.

Small cannabis cultivators must be afforded the same considerations and protections as other small agricultural endeavors like small vineyards, artisan breweries and related boutique style retailing of their products. As stated in SB94 and its incorporation into Business and Professional Code 26013(c), upon which all cultivators in the state relied under MAUCRSA, "mandate only commercially feasible procedures, technology or other requirements, and shall not unreasonably restrain or inhibit the development of alternative procedures or technology to achieve the same substantive requirements, nor shall such regulations make compliance so onerous that the operation under a cannabis license is not worthy of being carried out in practice by a reasonably prudent business person".

REGARDING DISTRIBUTION:

Removing B&P Sections 5043, 5045, 5047, and 5309 from the Distributor, Transport Only license is essential for farmers of less than 10,000 sq ft.

Small farms are remote, often off the grid and without Internet access. Self-transport is the most environmentally appropriate method to move product from farms to labs, direct sales events, processors and larger Distributors.

Please attach self-distribution capability to all cultivation licenses of less than 10,000 sq ft. Otherwise; small farmers will be unable to compete under the current Distribution regulations.

Thank you for your consideration and support,

Audrey's Farm
Big Dirty Farms
Briza Botanicals
Brother Bee Farms
Coastal Ridge Botanicals
Emerald Naga Farms
Empire Gardens
Flatbed Ridge Farms
Fire Flower Farm
Full Sun Farms
Giving Tree Farms
Granny Jacks
Gypsy Wagon Farms
Herbanology Farms
Higher On The Hog Farms
Hummingbird Farms
Laughing Farms
Le Foret
Magnolia & Fig Cultivars
Mendocino Grasslands
Mendocino Organic Medicine
Moongazer Farms
Oak Knoll Farms
One Feather Ranch
Potter Valley Farms
Reach High Farm
- - - -

Cannabis Advisory Committee: Subcommittee Input Survey

River Txai Farms

Sensi Farms

Sun N Moon Ranch

Sunbright Gardens

Sweet Sisters Family Farm

UV Organics

#16

COMPLETE

Collector: Web Link 1 (Web Link)
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Page 1

Q1 First Name (Optional)

Holly

Q2 Last Name (Optional)

Carter

Q3 Organization (Optional)

Redwood Roots

Q4 Title (Optional)

CCO

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

We ask for self-transportation to be appurtenant to cottage, specialty and small licenses of cultivation (to allow processing, manufacturing or distribution) for own product only. cottage, specialty and small licenses ability to self-transport appurtenant to license.

Tax collection and remittance; ensure not duplicating taxes (excise calculated into sales tax?!)

Tiering costs of license - break down a bit more to scale a business more appropriately between 8-80 million.

#17

COMPLETE

Collector: Web Link 1 (Web Link)
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IP Address: 162.201.66.29

Page 1

Q1 First Name (Optional) **Respondent skipped this question**

Q2 Last Name (Optional) **Respondent skipped this question**

Q3 Organization (Optional) **Respondent skipped this question**

Q4 Title (Optional) **Respondent skipped this question**

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Distributors Subcommittee**

Q6 Feedback for Subcommittee

State Regulation Amendment Requests:

- 1.Determine canopy of plants based on each plant and do not include pathways in canopy determination
- 2.Lower the cultivation tax and base it on a percentage rather than fixed dollar amounts
- 3.Order more track and trace tags since there seems to be only a limited number
- 4.Remove the 4-acre cap on Co-Ops
- 5.Reinstate the acreage cap on licenses
- 6.Remove the requirement that all activities of a micro business license occur on the same premises. Many cultivators in rural counties will not be able to comply due to zoning restrictions. Consider opening up packaging, processing and/or manufacturing to other zoning districts as there are any extremely limited amount currently available. Perhaps allow outside dense residential areas?
- 7.Remove Track and Trace requirements of weighing wet weight at harvest. This requirement does not make sense since the cannabis will change greatly in weight once it is fully dried. Weather (hot and dry vs rainy) will also greatly affect wet weight so there will be no benefit to a wet weight as it's completely arbitrary. Each plant and strain will vary in terms of how much moisture is lost in the curing

Cannabis Advisory Committee: Subcommittee Input Survey

process. Therefore for cultivators selling dry product, require a dry weight amount to be entered and not wet weight of the entire plant.

8. Remove the 25 and 50 plant count for specialty cottage outdoor and specialty outdoor license types and instead use 2500 sq ft and 5,000sq ft. The corresponding permits under mixed light allow for sq ft canopy size, outdoors should match.

9. Monitor the testing prices being set by each lab. These costs are WAY too high for any small specialty cottage cultivator to be able to afford. Especially if cultivating 25 plants, at \$600-\$1000 per batch test, cultivators will struggle greatly to afford these prices for testing.

The regulatory expansion related to testing is going to either push prices higher which will make it not accessible for lower income patients and consumers or force small farmers to cultivate the same strain in a batch to try and save the margin.

For small batch cultivators, if you produce 3 units in a batch these testing costs of \$600-1000 per batch (or \$200-333 per unit) plus the flat cultivation tax rate of \$148 per unit is now nearly reducing the margin for the cultivator to a net negative.

10. Set eco-friendly standards for packaging to lessen the industry's impact on consumer waste in California.

11. Please remove the Camera regulations for small cultivators especially in rural counties such as Mendocino County. Small farms off grid with limited access to internet if any will have a serious hardship in complying with this standard. Perhaps a game camera could qualify for this regulation. This should also be considered for micro-business farms that are located in rural areas.

12. Allow people/companies with multiple permits to process all cannabis at one location. This will reduce having to setup and maintain multiple processing locations and equipment and lessen environmental impacts.

13. Remove the 25 plant count for specialty cottage license and instead use 2500 sq feet or at the very least allow the option of either 25 plants OR 2500 sq ft

14. Allow cultivators to process their own cannabis onsite under home-occupation as long as it meets the requirements of local county and city building codes etc.

16. For micro-business, allow direct sales at farmer's markets or events or other non-store front retail to count as a retail use, and allow distributor-transport only to count as distributor use... this will allow more cultivators to apply for a micro-business if they live in rural areas where zoning will not allow for retail locations or full distribution.

17. Support direct local sales through expanded venue allowances for cannabis events

18. Allow the cultivation license to be transferable in the event of a land sale. Allow an optional "inactive" status for cultivation licenses that would keep the license valid even if not in use. The investment required to comply and obtain a cultivation license is a direct investment to property making it part of the asset. The ability for a small farmer to succeed in this new market place is unknown at best and if they should choose to not participate their investment needs to be protected.

19. Allow the storage of cannabis to include cargo containers with a length of 40 feet.

#18

COMPLETE

Collector: Web Link 1 (Web Link)
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Page 1

Q1 First Name (Optional)

Dustin

Q2 Last Name (Optional)

Moore

Q3 Organization (Optional)

International Cannabis Farmers Association

Q4 Title (Optional)

Executive Director

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Distributors Subcommittee

Q6 Feedback for Subcommittee

Distributor Transport Only and Self Distribution

Comment: California's traditional sun grown farmers are exponentially challenged by the cost of regulatory expense facing them and are often operating in rural communities that do not have access to thriving retail markets and are often located hours from licensed distribution facilities. The ICFA respectfully requests that Cottage, Specialty and Small type licensed farmers be able to engage transport their own product to licensed processing, manufacturing and distribution facilities as part of their cultivation license.

Furthermore, Section 5308 outlines insurance requirements for a distributor license and section 5309 outlines inventory reconciliation for a distributor. We are seeking clarification regarding whether sections 5308 & 5309 will be applied to distributor transport only and self distribution licensees. We anticipate that a significant number of traditional sun grown farmers will find these two license types appealing and necessary if they are going to move their products from their rural cultivation facility into the supply chain. We have significant concerns that if sections 5308 & 5309 are applied to the distribution transport only and self distribution license types that both license types could become overly burdensome and expensive for the seasonal sun grown farmer to take advantage of. We respectfully request that both section 5308 & 5309 be applied only to distributors, not distribution transport only or self distribution license holders.
